

DAVID K. OWENS Executive Vice President Business Operations

February 28, 2006

Mr. Walter D. Cruickshank Acting Director Minerals Management Service 381 Elden Street Herndon, VA 20170-4817

Re: MMS Advanced Notice of Proposed Rulemaking, RN 1010-AD30

Dear Mr. Cruickshank,

The Edison Electric Institute and its Alliance of Energy Suppliers (together, "EEI") are submitting these comments in response to the Advanced Notice of Proposed Rule Making published in the Federal Register on December 30, 2005. The Edison Electric Institute is the association of U.S. shareholder-owned electric companies and international affiliates and industry associates worldwide. The Alliance of Energy Suppliers represents investor-owned electric energy suppliers and marketers nationwide, including affiliate and independent power producers who also own generation facilities that provide electricity to wholesale markets regulated by the Federal Energy Regulatory Commission ("Commission"). Together our U.S. members serve 97 percent of the ultimate customers

in the shareholder-owned segment of the industry, and 71 percent of all electric utility ultimate customers in the nation. They generate almost 60 percent of the electricity generated by U.S. electric utilities. EEI's members include electricity generation, transmission, distribution, and service companies that operate in wholesale and retail markets throughout the country.

EEI generally supports the comments filed in this proceeding by the American Wind Energy Association ("AWEA") on issues related to the development of regulations by the MMS for Offshore Renewable energy projects. Offshore renewable facilities are an important part of the nation's portfolio of electric generators. The Energy Policy Act of 2005 makes clear that Congress supports renewable energy and it committed to encouraging the use of new technologies like offshore wind energy. The Mineral Management Service's ("MMS") regulations should adopt policies consistent with Congressional intent. EEI supports specific AWEA proposals such as:

- MMS should comply with the EPACT deadline for establishing regulations for
  offshore renewable technologies. If a delay is required, then the MMS should
  make case-by-case determinations prior to the publication of a final rule to remain
  consistent with Congress' intent.
- The Bureau of Land Management's Interim Wind Energy Development Policy should be used a guide for establishing regulations that appropriately protect the use of federal land, offshore seabed in this case, while encouraging the use of renewable resources to meet some of the nation's electricity needs.
- Offshore renewable resources are much different than traditional offshore resources like oil and gas. For example, no natural resource is being used up, i.e., wind will continue to blow, unlike oil that does not replace itself. Additionally, offshore renewable facilities are new technologies that need support until they are well established. These differences should be taken into account at each step in the leasing process, including how to award leases and what fair compensation for the government should be, to ensure that MMS regulations do not preclude the development of offshore renewable resources being profitable investments.

Thank you for the opportunity to comment on this proceeding. We look forward to working with the MMS to develop fair procedures to allow use of the outer continental self for renewable resources. If you have any questions, feel free to contact me, or Chuck Linderman, at 202-508-5000.

## Respectfully submitted,

-Signature-

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